

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT)
OF MCKINNEY WATER DISTRICT) CASE NO. 2006-00433

O R D E R

On October 3, 2006, McKinney Water District ("McKinney Water") applied for approval to adjust its rates pursuant to the purchased water adjustment procedure. KRS 278.015 and 807 KAR 5:068.

The Commission, having reviewed the record and being sufficiently advised, finds that:

1. McKinney Water purchases water from the City of Stanford Waterworks ("Stanford") and Eubank Water System.
2. Stanford notified McKinney Water that, effective with its September 1, 2006 billing, McKinney Water's wholesale water rate would increase from \$1.77 per 1,000 gallons to \$2.04 per 1,000 gallons. McKinney Water proposes to increase the water rates to its customers effective October 1, 2006.
3. During the 12 months ending August 31, 2006, McKinney Water purchased a total of 126,704,300 gallons of water and sold 92,040,800 gallons. The increase in the cost of purchased water is \$28,094.04, resulting in a purchased water adjustment of \$0.31 per 1,000 gallons.

4. The purchased water adjustment of \$0.31 per 1,000 gallons is fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. The proposed rates by McKinney Water are approved.
2. The purchased water adjustment of \$0.31 per 1,000 gallons and the rates in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable and are approved for services rendered on and after October 1, 2006.
3. Within 20 days of the date of this Order, McKinney Water shall file with the Commission revised tariff sheets showing the rates approved herein.

Done at Frankfort, Kentucky, this 31st day of October, 2006.

By the Commission

ATTEST:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2006-00433 DATED October 31, 2006

The following rates and charges are prescribed for the customers in the area served by McKinney Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Monthly Water Rates

5/8" X 3/4" Meter

First	1,000 gallons	\$ 12.46	Minimum bill
Next	2,000 gallons	7.25	per 1,000 gallons
Next	7,000 gallons	5.92	per 1,000 gallons
All Over	10,000 gallons	5.28	per 1,000 gallons

1" Meter

First	5,000 gallons	\$ 38.80	Minimum bill
Next	5,000 gallons	5.92	per 1,000 gallons
All Over	10,000 gallons	5.28	per 1,000 gallons

2" Meter

First	20,000 gallons	\$ 121.20	Minimum bill
All Over	20,000 gallons	5.28	per 1,000 gallons